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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY 25X1

# REPORT

# INFORMATION REPORT

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1. The following is a list of SAG Xenent concerns and their output in tons for 1951:

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Zementwerk Goschwitz  
 Werl Mietleben near Halle  
 Werl Nienburg near Bernburg

267,000

150,000

340,000

757.000

2. At Gschults sixty percent of the workers are paid according to what they produce. Three hundred and nine of the plant's employees earned between 0.88 and 1.10 east marks an hour. There are about 38 men in the quarry and they earned 1.50 east marks an hour. A plan to expand the plant has been devised, because there was not enough space for a fourth furnace, which would have cost between six and seven million east marks.
3. The quota for 1951 was 265,000 tons, and the actual output was 267,000 tons. The quota for 1952 is 278,000 tons. The first quarter quota was 70,800 tons, however, only 66,000 tons were produced. The reason for the nonfulfillment was attributed to the damaged lining of one furnace. The plant has three furnaces and seven cement mills, of which only numbers six and seven are important. Their dimensions are 2.4 by 12 meters.
4. The entire portland cement output of the plant is exported to the USSR. In 1951, it amounted to between 180,000 and 200,000 tons. The rest of the production consists of foundry cement, which is for local consumption, particularly by SAG Wismut and the Russian troop units. In 1951, 40,000 tons were delivered to Wismut, and about 27,000 tons were delivered to the construction unions (Baumunionen). In March 1951, between 1,500 and 2,000 tons of cement were delivered to the Wermuechen airport.
5. Steel cables for dredges are a particular bottleneck and must be procured in the West. In March 1952, the plant received a ton of cables from Belgium. The plant's yearly requirement in steel cable amounts to about ten tons, but only between three and four tons were received in 1951.

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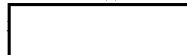
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6. The Russian zone supplied some cables in 1951. This is no longer possible, because the required material is no longer available. There is a shortage of cast steel used to plate the mills. The cast steel comes from Kranthof near Chemnitz. The vinciferous white metal for the bearings of the mills is almost completely lacking.
7. The planned investment for 1951 amounted to about 400,000 to 500,000 east marks. Of this sum 200,000 east marks was earmarked for a cultural house and 150,000 east marks for the reconstruction of a mill. The general repair plan for 1951 proposed the replacement of the burnt-out furnace shoots of furnaces I and II at a cost of 150,000 and 110,000 east marks respectively. The investment plan for 1952 is small, amounting to only 60,000 east marks for furnace III. In contrast, the general repair plan proposes 173,000 of which 45,000 east marks is to be spent for a new small conveyor and 100,000 east marks to be spent for a dwelling for the employees.\* It is also planned to spend 10,000 east marks for research and development. The research order calls for finding the best operation system for furnaces I and II in order to increase production by varying the fire vents (Brennöffnungen).
8. The plant's gross profit in 1951 amounted to 3,000,000 east marks. Of this, 1,600,000 east marks were net profit, and 1,400,000 east marks paid as rent to the Soviet property administration. Another 400,000 east marks had to be contributed to the administration of the SAG Zement in Berlin. In addition, up to 3.50 east marks per ton portland cement went to the Ministry of Finance as compensatory assessment (Ausgleichsunlage).
9. The Russian factory head is General Manager (fmu) Bobilov. The chief engineer is the Russian (f u) Suchkov. The German factory works director is Rudolf Thomas, who was formerly a worker at Zeiss.
10. Nienburg consists of two works, Concordia and Anhalt. Concordia is to get a new furnace this year which would raise the work's capacity about 100,000 tons.

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